



2009 Session

Exhibits 2

This exhibit is a full color Power Point Presentation entitled:

***“State of Montana Legislature
Transportation Update January
2009”***

This exhibit has been scanned but it may appear very dark because of the color we hope that this will aid you in your research.

The original exhibit is on file at the Montana Historical Society and may be viewed there.

**Montana Historical Society
Archives, 225 N. Roberts, Helena,
MT 59620-1201
Phone (406) 444-4774.**

Scanning by: Susie Hamilton

EXHIBIT 2
DATE 1-14-2009
HB American Trucking Meeting

Trucking
Condition
Take about funding
condition
Stops
problem
66 is
million
Honduras

State of Montana
Legislature
Transportation Update
January 2009
RAY KUNTZ
Chairman and Chief Executive Officer of
Watkins and Shepard Trucking

Thank
ATA truck
represents 9m
Trucking Stop
3015 Sun
closure
Huge short for
State to State
Stops look
to previous
+ toll
Mt Better
shape but
growth 17
near down hill
Take the
share on
Federal highway
system & funding

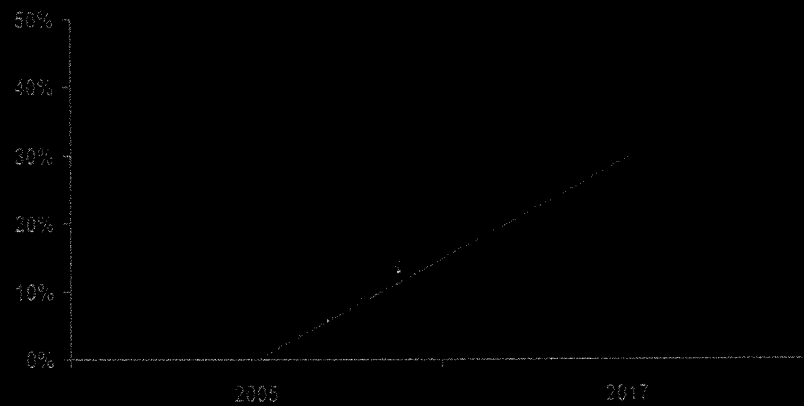
Honduras

Key Problem Areas that effect Future of
the Federal Highway Trust Fund

- Federal Motor Fuel Taxes have not been increased since 1993
- Inflation that decreases the purchasing power of State Motor Fuel Tax.
- Increasing vehicle fuel efficiency reduces revenue.
- Highway user fees are diverted to Non-Highway Programs.
- Tax exceptions reduce user based revenue.
- Project error marking can divert funding from critical projects.

JUST
Fund out
of money

Growth in Truck Tonnage: Total Increase from 2005 to 2017



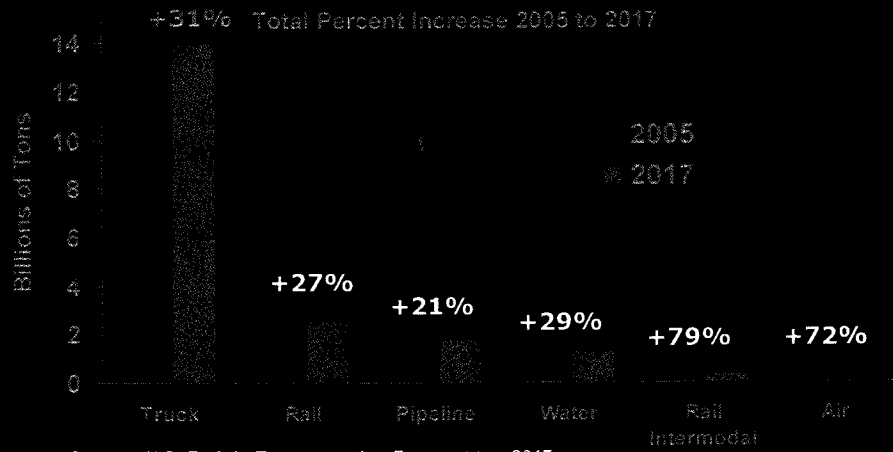
Source: U.S. Freight Transportation Forecast to...2017 & ATA

Truckload Productivity: Index of Miles per Truck per Month: 2000 = 100

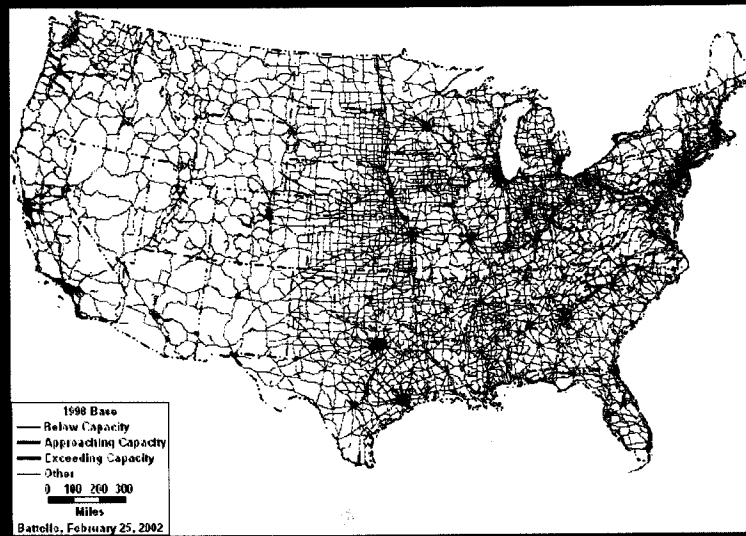


Source: ATA

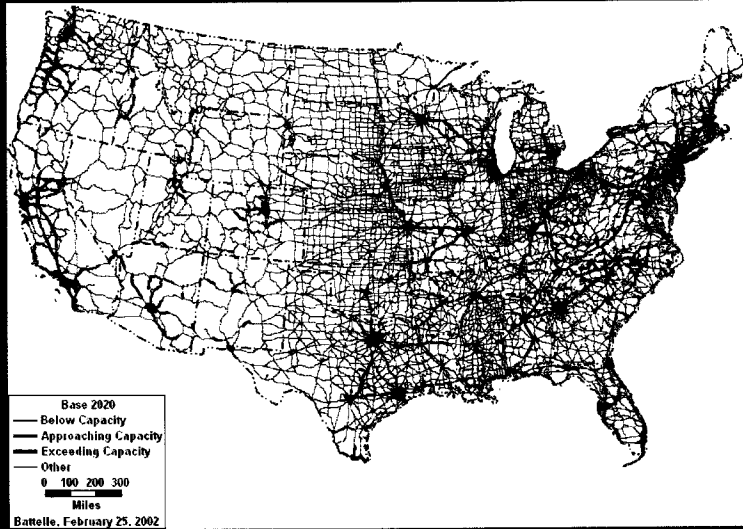
Projected Growth in Freight Transportation Tonnage: 2005 to 2017



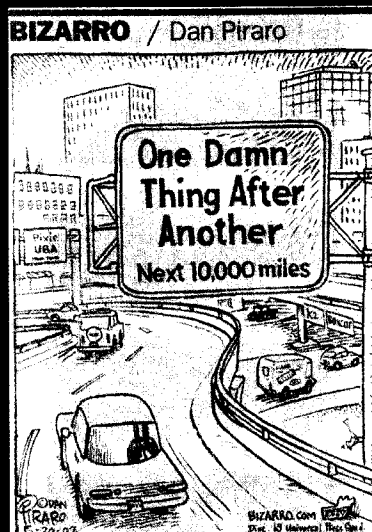
Highway Congestion 1998 All Vehicles



Highway Congestion 2020 All Vehicles

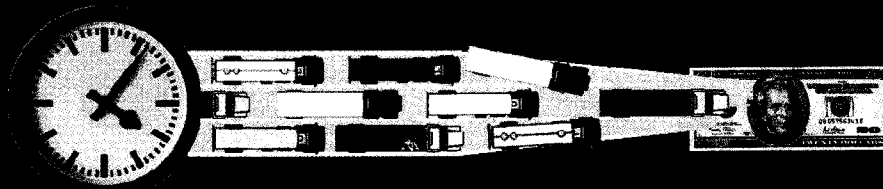


Highway Congestion...



Freight Corridors & Top 200 Bottlenecks: Time & Money Lost Can Never Be Found

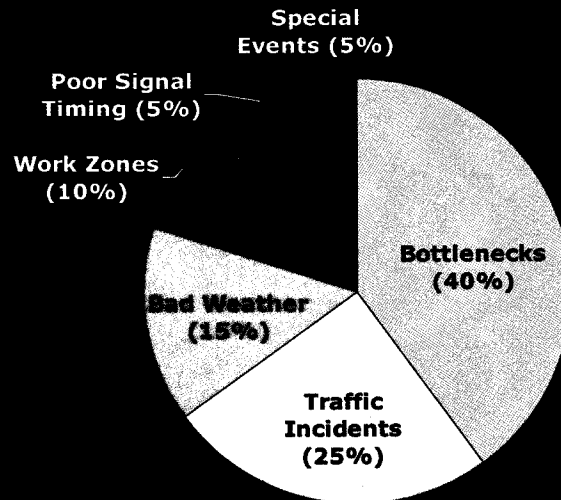
- **243 Million Hours Lost**
Annually
- **Cost \$7.8 Billion/year**
- Physical bottlenecks account for
40% of congestion



Congestion Costs Growing Faster than GDP

- Since 1982, the cost of congestion has grown at
**8 % per year, more than double the rate of
growth of the economy**
- In 20 years, continued growth at this rate
would bring the cost of congestion to **\$890.5
billion**
- **Equal to 4.3 % of GDP**

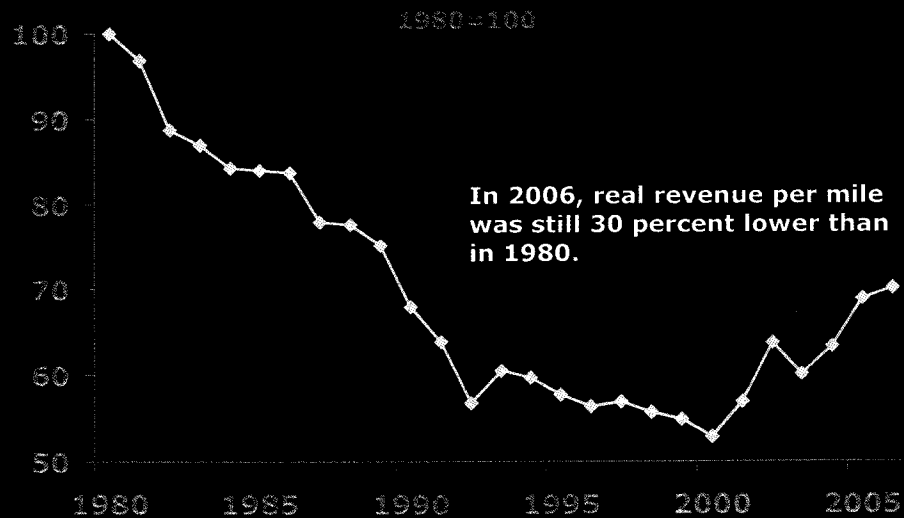
Sources of Congestion



Source: FHWA



Real Revenue per Mile



Source: ATA

Top 20 Congestion Spots

RANK	CHOKEPOINT LOCATION	CITY	ANNUAL HOURS OF TRUCK DELAY
1	I-405 at I-605	Long Beach, CA	2,662,600
2	SR-60 at I-605	Los Angeles	2,400,200
3	I-75 at I-285	Atlanta	2,253,000
4	I-55 at Pulaski Rd	Chicago	1,888,600
5	I-80 at I-580/1880	Oakland, CA	1,838,700
6	I-285 at I-85	Atlanta	1,815,100
7	I-90/94 at I-290	Chicago	1,600,300
8	I-80 at I-94 Split	Chicago	1,365,300
9	I-15 at I-10	Ontario, CA	1,308,300
10	I-880 at SR-238	Oakland, CA	1,200,300
11	I-90 at I-290	Buffalo, NY	816,300
12	I-93 at I-95	Boston	726,500
13	I-77 at I-277	Charlotte	660,300
14	I-90 at I-94 split	Chicago	584,500
15	I-17 at I-10	Phoenix	493,200
16	I-710 at I-105	Long Beach, CA	425,200
17	SR-315 at I-70	Columbus, OH	367,500
18	I-75 at I-74	Cincinnati	305,800
19	I-20 at I-285	Atlanta	285,100
20	I-75 at I-85	Atlanta	272,600

Highway Funding Analysis

Present funding shortfall is marginal, but getting substantially worse

- **Present Bill: \$286 Billion**
- **Maintenance-plus Budget: \$550 Billion**

Federal fuel taxes haven't changed since 1993; inflation has destroyed much construction buying power



Highway Funding Analysis

- **Alternative finance programs harm rural corridors/counties by favoring VMTs over strategic access**
- **Toll administration costs dramatically exceed the cost of fuel tax administration**
- **Privatized toll systems will require dramatic toll increases...**



Toll System Admin Costs

<i>Fiscal Year</i>	<i>Toll Authority</i>	<i>Toll & Related Revenue</i>	<i>Toll Operations Costs</i>	<i>Costs to Revenue Ratio</i>
2004	New Jersey Turnpike Authority	\$828,919,609	\$251,389,101	30.3%
2005	New York State Thruway Authority	\$511,200,000	\$123,822,151	24.2%
2004	Ohio Turnpike Commission	\$211,771,000	\$46,449,000	21.9%



Toll System Debt

Toll Systems with Major Shortfalls: 2005			
Toll System	Total Receipts 2005	Total Disbursements 2005	Shortfall
Central Texas Turnpike System	\$75,787,000	\$562,757,000	-\$486,970,000
New Jersey Turnpike System	\$1,589,252,000	\$1,742,948,000	-\$153,696,000
Florida Turnpike	\$1,020,885,000	\$1,130,355,000	-\$109,470,000
Tampa-Hillsborough County (South Crosstown) Expressway	\$37,002,000	\$136,999,000	-\$99,997,000
East Boston Tunnels/ Massachusetts Turnpike System	\$312,102,000	\$377,588,000	-\$65,486,000



Gasoline Revenues Needed

Year	Taxed Gallons Consumed (Billions)	Growth Multiplier	Additional Revenue from 5 Cent Increase (Billions)	Additional Revenue from 10 cent Increase (Billions)	Additional Revenue from 15 cent Increase (Billions)	Additional Revenue from 20 cent Increase (Billions)	Additional Revenue from 25 cent Increase (Billions)
2005	137.3	--	--	--	--	--	--
2006	140.2	2.13%	\$7.00	\$14.00	\$21.00	\$28.00	\$35.05
2007	143.2	2.13%	\$7.20	\$14.30	\$21.50	\$28.60	\$35.80
2008	146.3	2.13%	\$7.30	\$14.60	\$21.90	\$29.30	\$36.58
2009	148.6	1.60%	\$7.43	\$14.86	\$22.30	\$29.73	\$37.16
2010	151.0	1.60%	\$7.55	\$15.10	\$22.65	\$30.20	\$37.75
2011	153.4	1.60%	\$7.67	\$15.34	\$23.02	\$30.69	\$38.36
6-Year TOTAL			\$44.15	\$88.21	\$132.36	\$176.52	\$220.70



Diesel Revenue Needed

Year	Taxed Gallons Consumed (Billions)	Growth Multiplier	Additional Revenue from 5 Cent Increase (Billions)	Additional Revenue from 10 cent Increase (Billions)	Additional Revenue from 15 cent Increase (Billions)	Additional Revenue from 20 cent Increase (Billions)	Additional Revenue from 25 cent Increase (Billions)
2005	38	--	--	--	--	--	--
2006	38.8	2.13%	\$1.94	\$3.88	\$5.80	\$7.76	\$9.70
2007	39.6	2.13%	\$1.98	\$3.96	\$5.90	\$7.93	\$9.90
2008	40.5	2.13%	\$2.02	\$4.05	\$6.10	\$8.10	\$10.13
2009	41.1	1.60%	\$2.06	\$4.11	\$6.17	\$8.23	\$10.29
2010	41.8	1.60%	\$2.09	\$4.18	\$6.27	\$8.36	\$10.45
2011	42.5	1.60%	\$2.12	\$4.25	\$6.37	\$8.50	\$10.62
6-Year TOTAL			\$12.21	\$24.43	\$36.61	\$48.88	\$61.08



Toll Road Privatization Agreements & The Next Horizon

- **Chicago Skyway**

- Macquarie-Cintra
- 99 years
- \$1.83 billion – used to retire city debt

- **Indiana Toll Road**

- Macquarie-Cintra
- 75 years
- \$3.8 billion – used for road and economic development projects

Indiana Deal

- **State received \$3.8 billion**
- **Consortium 75 year return**
 - Estimated as high as \$11.38 billion
- **Who pays the difference?**
 - \$7.58 billion

Key Recommendations in Transportation for tomorrow.

- **Significantly increasing investment**
 - \$225 billion annually from all sources for next 5 years
- **Accelerating time from conception to delivery**
(many Federal projects take 10-13 years)
- **Retain Strong Federal role in Transportation**
- **Increasing Federal Fuel tax 25-40 cents (5 – 8 cents per year) and index it**
- **Look at other user based fees**

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"And, in a move sure to attract the attention of regulators, the private sector made a bid to acquire the public sector."

How Will We Pay For It?

- **Federal Motor Fuels Tax**
- **Freight Fee**
- **Customs Fees (portion)**
- **Ticket Tax**
- **Cap-and-Trade Revenue**
- **Investment Tax Credit**

- **VMT**

- **Tolling**
- **Congestion Pricing**

Benefits

- **Necessary for a Healthy and Robust Economy**
 - **Makes Other Investments Possible**
- **Necessary to Compete in 21st Century Global Marketplace**
- **Short Term Stimulus**
- **Jobs, Jobs, Jobs**
- **Reduces Dependency on Foreign Oil**
- **Reduces Greenhouse Gases**

Challenges

- **Politics of Increasing Gas Tax**
- **Where Will Leadership Come From?**
- **Will Have To Compete With Other Major Initiatives**
 - Economic Crisis
 - Energy
 - Climate Changes

Reauthorization

- **2009**
- **Stimulus Package**
- **Montana's Role**